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INFO	LOG-00 DODE-00	ADS-00 DS-01	AID-01 EB-01	CIAE-00 EXIM-06	COME-00 E-01	CTME-00 FRB-03	C-01 HA-09	
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> Dept of State, RPS/IPS, Margaret P. Grafeld, Dir. () Classify as () Extend as () Downgrade to

Date 2/27/62 Declassify on [2/31/1) Reason 1.5 d

SECTION 01 OF 04 SAN JOSE 14634

USCINCSO FOR POLAD USIA FOR AR - JOHNSON

E.O. 12356: DECL:OADR

TAGS: PGOV, PREL, ELAB, ECON, KJUS, CS

SUBJECT: MONTHLY POLITICAL SUMMARY: DECEMBER

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3. OVERVIEW: A SHORT BUT SHAKY MONTH

ECONOMIC WOES AND THE PUNTARENAS SUMMIT HELD CENTER STAGE PRIOR TO COSTA RICA'S SHUTDOWN FOR THE CHRISTMAS/NEW YEAR'S HOLIDAYS. OPPOSITION ON THE

CONT IDENTITIES

PAGE 03 SAN JO 14634 01 OF 04 311507Z PART OF SOME PLN DEPUTIES, WHO OFFERED 296 AMENDMENTS TO BLOCK THE PROJECT, LED THE GOVERNMENT TO BREAK THE TAX PACKAGE IN TWO, FINALLY OBTAINING PRELIMINARY APPROVAL OF THE THIRTEEN PERCENT SALES TAX ON DECEMBER 22. THE CONGRESS THEN ADJOURNED UNTIL JANUARY 7, WHEN IT WILL TAKE UP FINAL APPROVAL OF THE SALES TAX AND BEGIN EXAMINING THE REMAINING TAX PACKAGE ITEMS.

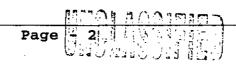
IN CONJUNCTION WITH SPLITTING THE TAX PACKAGE, THE GOCR INTRODUCED A SERIES OF ECONOMIC MEASURES TO REDUCE LIQUIDITY, RAISE REVENUE AND INCREASE THE COST OF IMPORTS. ALL THESE ACTIONS MET WITH THE APPROVAL OF THE IMF, WHICH MOVED CLOSER TO REACHING AN ACCORD WITH THE GOCR ON DISBURSING FUNDS. MEANWHILE, A 5.7 (RICHTER SCALE) EARTHQUAKE ON DECEMBER 23 REMINDED COSTA RICANS THAT THE WHOLE COUNTRY, NOT JUST THE ECONOMY, IS ON SHAKY GROUNDS. THE GOCR PROMISED TO GIVE PRIORITY TO REBUILDING THE ROUGHLY 1000 HOUSES DESTROYED BY THE QUAKE, THOUGH THE GOVERNMENT COULD ENCOUNTER DIFFICULTIES IN ACCOMPLISHING THIS TASK GIVEN ITS FISCAL CRISIS.

ECONOMIC PROBLEMS CONTINUED TO WEIGH ON CALDERON'S POPULARITY, WITH A POLL FINDING HIS LABORS DISAPPROVED OF BY A 33-31 PERCENT MARGIN. CALDERON PUBLICLY TOOK THIS IN STRIDE, TELLING THE PRESS THAT, GIVEN THE SERIOUS MEASURES BEING INSTITUTED, HIS RATING WAS QUITE STRONG. PLN POLITICIANS SAW THE POLL AS FURTHER CONFIRMATION THAT THEY CAN'T LOSE IN 1994. THE CURRENT LEADER IN THE LIBERATION

The street of th

COMETE

PAGE 04 SAN JO 14634 01 OF 04 311507Z PRESIDENTIAL SWEEPSTAKES, JOSE MARIA FIGUERES, RETURNED TO SAN JOSE FROM THE KENNEDY SCHOOL FOR THE HOLIDAYS.



THE PUNTARENAS SUMMIT MONOPOLIZED FOREIGN POLICY ATTENTION, WITH THE SMALL MFA ALMOST OVERWHELMED BY THE EVENT: THE SUMMIT PRODUCED A STRONG CONDEMNATION OF THE FMLN AND PRAISE FOR THE EAI/PDD INITIATIVES. THE PRESIDENTS PROMISED TO FOLLOW UP ON THESE ITEMS IN THE MONTHS TO COME, PUSHING FOR A CEASEFIRE IN EL SALVADOR AND THE CONCRETIZATION OF THE ECONOMIC INITIATIVES.



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	PM-01 STR-18	PRS-01 TRSE-00	P-02 T-01	SIL-01 /096W	SNP-01	SP-01	SS-01

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FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 2749

INFO RUEHGT/AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

USIA WASHDC 4325

USCINCSO QUARRY HTS PN

USMISSION USUN NEW YORK 3231

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USCINCSO FOR POLAD USIA FOR AR - JOHNSON

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4. THE JOHN HULL WATCH

THE HUNT FOR JOHN HULL BECAME A HOT PRESS THEME IN DECEMBER, AS NEWSPAPERS SALIVATED OVER THE POSSIBILITY THAT THE FUGITIVE RANCHER MIGHT BE RETURNED TO COSTA RICA TO STAND TRIAL FOR THE LA PENCA BOMBING. HULL WAS FIRST REPORTED IN JUIGALPA, NICARAGUA, LATER SAID TO HAVE DISAPPEARED TO SAN SALVADOR, AND THEN REPORTED BACK IN NICARAGUA. FINALLY, ON DECEMBER 26, LEADING DAILY LA NACION REPORTED LOCATING HIM IN ORLANDO, FLORIDA. HULL'S RAPID MOVEMENTS WERE IN RESPONSE TO THREATS BY COSTA RICAN AUTHORITIES TO REQUEST HIS DETENTION IN NICARAGUA, PENDING EXTRADITION. PRIOR TO FLEEING, HULL TOLD THE TICO TIMES THAT, "THE COSTA RICAN GOVERNMENT UNDER (EX-PRESIDENT) MONGE APPROVED, THEIR COLONELS WERE AT MY HOUSE. . . NOTHING WAS DONE WITHOUT THE APPROVAL OF THE COSTA RICAN GOVERNMENT." LAUGHING, HULL CONTINUED THAT, "WHEN I WAS IN JAIL, MONGE SENT ME A MESSAGE THAT HE WAS WITH ME MORALLY AND SPIRITUALLY. I WOULD HAVE LIKED HIM TO BE WITH ME PHYSICALLY."

5. NO PEACE FOR UPAZ

THE UN-CHARTERED UNIVERSITY FOR PEACE (UPAZ)
CELEBRATED ITS TENTH ANNIVERSARY DECEMBER 12. UPAZ

COMPTORMETAL

PAGE 03 SAN JO 14634 02 OF 04 311510Z OFFICIALS PLANNED TO READ AN "HONOR ROLL" OF NAMES OF THOSE WHO HELPED FOUND THE UNIVERSITY. AMONG THOSE ON THE LIST WAS KURT WALDHEIM. DEMONSTRATORS GATHERED OUTSIDE THE CEREMONY, HOWEVER, PROTESTING THE INCLUSION OF "WAR CRIMINAL" WALDHEIM'S NAME. REALIZING THEIR GAFFE, UPAZ OFFICIALS OMITTED WALDHEIM'S NAME WHEN THE LIST WAS READ.

DESPITE THIS BROUHAHA, AND MISGIVINGS ON THE PART OF SOME COSTA RICAN OFFICIALS WHO SEE UPAZ AS LESS A SCHOOL THAN A HANGOUT FOR REGIONAL LEFTISTS, PRESIDENT CALDERON GAVE THE EVENT'S KEYNOTE ADDRESS. FOLLOWING HIS SPEECH, HOWEVER, THE PRESIDENT AND OTHERS RUSHED OUT OF THE CEREMONY WHEN A SUSPICIOUS BRIEFCASE WAS SPOTTED. POLICE DOGS INDICATED THE VALISE CONTAINED A BOMB, AND AN OFFICER SHOT THE LOCK OFF THE

QUESTIONABLE BRIEFCASE. ONLY PAPERS WERE EQUND,

Page 4

LATER CLAIMED BY A NICARAGUAN STUDENT. ALL IN ALL, A TOUGH DAY FOR NEW UPAZ RECTOR JAIME MONTALVO CORREA.

6. THE SUMO SAUDI BRIGADE

A NICARAGUAN SUMO INDIAN LEADER MET WITH US DECEMBER 13 TO OFFER THE SERVICES OF FIFTEEN FORMER CONTRAS (ALL SUMOS) FOR THE STRUGGLE AGAINST SADDAM HUSSEIN. THE SUMOS ASKED FOR ARMS AND TRANSPORTATION TO SAUDI ARABIA, WHERE THEY INTENDED TO STAND ALONGSIDE ALLIED FORCES IN THE DESERT. APPARENTLY, THE FIFTEEN JUDGE

COMPANIATIVE

PAGE 04 SAN JO 14634 02 OF 04 311510Z LIFE SO DIFFICULT IN NICARGUA, AND CHANCES FOR ADVANCEMENT SO POOR IN COSTA RICA (THEY WORK IN CONSTRUCTION AND PICKING COFFEE), THAT THEY ARE WILLING TO GO TO THE OTHER END OF THE WORLD IN THE HOPES OF EVENTUALLY BEING REWARDED. WE POLITELY DECLINED THE OFFER.

7. ONUCA STATUS

COL. LALIT TEWVARI, AN INDIAN ARMY OFFICER, TOOK THE REINS OF THE LOCAL ONUCA BRANCH ON DECEMBER 3. TEWVARI, IN A DECEMBER 19 COURTESY CALL ON THE CHARGE, RELATED THAT THE MILITARY SIDE OF ONUCA COSTA

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	L-03	NSAE-00	NSCE-00	OIC-02	OMB-01	OPIC-08	PA-01
	PM-01	PRS-01	P-02	SIL-01	SNP-01	SP-01	SS-01

-----301E91 311533Z /49

P 311309Z DEC 90 FM AMEMBASSY SAN JOSE TO SECSTATE WASHDC PRIORITY 2750 INFO RUEHGT/AMEMBASSY GUATEMALA AMEMBASSY MANAGUA AMEMBASSY SAN SALVADOR AMEMBASSY TEGUCIGALPA AMEMBASSY PANAMA USIA WASHDC 4326 US CINCSO QUARRY HTS PN USMISSION USUN NEW YORK 3232

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The SECTION 03 OF 04 SAN JOSE 14634

USCINCSO FOR POLAD USIA FOR AR - JOHNSON

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CONFIDENCIAL.

SAN JO 14634 03 OF 04 311511Z RICA HAS BEEN CUT BY MORE THAN HALF, FROM 21 TO 10 SOLDIERS (THERE ALSO REMAIN ABOUT ONE DOZEN CIVILIAN SUPPORT PERSONNEL). TEWVARI SAID THAT THIS WAS HIS FIRST UN_ASSIGNMENT AND DESCRIBED COSTA RICA AS PARADISE) THE COLONEL SAID THAT HIS MISSION -- ONE HE RECOGNIZES IS NOT TOO DIFFICULT GIVEN CONDITIONS IN COSTA RICA -- IS TO SHOW THE UN FLAG AND MAKE MORE DIFFICULT ANY USE OF COSTA RICAN TERRITORY BY IRREGULAR FORCES OR THOSE SEEKING TO SMUGGLE ARMS. HE STATED THAT HE DOES NOT HAVE THE MANPOWER TO PREVENT SUCH ACTIVITY, ONLY TO DETER AND INVESTIGATE IT, AND ADDED THAT, GIVEN THE "VIRGIN FORESTS" COVERING NORTHERN COSTA RICA, "NOT EVEN THE WHOLE INDIAN ARMY COULD SUCCESSFULLY PATROL IT. "

8. PLN: HAIL (AND STONE) THE RETURNING HERO

AS NOTED ABOVE, JOSE MARIA FIGUERES RETURNED TO SAN JOSE FROM THE KENNEDY SCHOOL FOR THE HOLIDAYS. FIGUERES WILL STAY UNTIL JANUARY 12, ENGAGING IN CAMPAIGN ACTIVITIES THE FIRST PART OF JANUARY. HE WAS WELCOMED BY FULL PAGE ADS PLACED BY HIS CAMPAIGN TEAM REPRINTING THE RECENT CID POLL SHOWING HIM LEADING THE LIBERATION PRECANDIDATE PACK. THE ADS ALSO REITERATED A FIGUERES CAMPAIGN THEME, SAYING JOSE MARIA "UNITES" COSTA RICANS.

NOT EVERYONE IN THE PLN FIELD, HOWEVER, IS WILLING TO BE QUIETLY "UNITED" BY JOSE MARIA. THAT HE MAY HAVE

CONFIDENTIAL.



PAGE 03 SAN JO 14634 03 OF 04 311511Z KILLED A MAN IN 1973 IS BEING COVERTLY SPREAD BY OPPONENTS AND SIGNS READING "FIGUERES ASSASSIN" ARE SAID TO BE UP IN A FEW TOWNS (WE HAVE NOT SEEN ANY YET). PRECANDIDATE CHALLENGER CORRALES SPECULATED TO US EARLIER IN THE MONTH THAT JOSE MARIA'S PLAN WAS TO WRAP UP THE NOMINATION BY THE MIDDLE OF 1991, IN ORDER TO PREVENT THE SPREAD OF DAMAGING STORIES. POSSIBLY TO SHORT CIRCUIT THAT SCENARIO, HIS OPPONENTS HAVE CHOSEN TO ATTACK. POLITICAL DIRECTORATE MEMBER ALFONSO CARRO (TIED TO PRECANDIDATE ARAYA) SAYS THAT THE PARTY MAY LAUNCH AN OFFICIAL INVESTIGATION INTO THE RUMORS "TO CLEAR THE AIR."

9. CHANGES IN THE SUPREME COURT

THE LEGISLATIVE ASSEMBLY ELECTED FOUR NEW JUDGES IN DECEMBER TO REPLACE RETIRING MAGISTRATES. RODRIGO CASTRO MONGE, WHO WAS DIRECTOR OF THE JUDICIAL POLICE (OIJ), AND ALFONSO CHAVES WERE ELECTED TO REPLACE DORA GUSZMAN AND JOSE GAMBOA ON THE COURT'S PENAL CHAMBER. EDUARDO SANCHO WAS NAMED TO REPLACE JUAN LUIS ARIAS IN THE CONSTITUTIONAL CHAMBER (THE CONTROVERSIAL SALA IV) AND JORGE ROJAS REPLACED RETIRING COURT PRESIDENT MIGUEL BLANCO IN THE CIVIL CHAMBER.

DR. EDGAR CERVANTES VILLALTA, WHO SERVES IN THE LABOR CHAMBER AND WAS THE COURT'S VICE PRESIDENT, WAS

CONTRIDENTAL

PAGE 04 SAN JO 14634 03 OF 04 311511Z
ELECTED TO COMPLETE BLANCO'S TERM (ENDING MAY 1991)
AS PRESIDENT OF THE COURT. CERVANTES HAS SERVED ON
THE COURT FOR APPROXIMATELY 20 YEARS. HE IS CHAIRMAN
OF THE NATIONAL COMMISSION FOR THE IMPROVEMENT OF THE
ADMINISTRATION OF JUSTICE AND PRESIDENT OF THE
JUDICIAL SCHOOL COUNCIL.

10. LABOR MOBILITY UPDATE

THE GOCR ANNOUNCED IN DECEMBER THAT 697 STATE RAILROAD EMPLOYEES AND 2200 SCHOOL COOKS WILL BE

DISMISSED IN EARLY JANUARY. WITH THESE FIRINGS, THE GOCR ESTIMATES THAT THE PUBLIC SECTOR WILL HAVE BEEN

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TOTAL TOTAL

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	DODE-00	DS-01	EB-01	EXIM-06	E-01	FRB-03	HA-09
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P 311309Z DEC 90

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 2751

INFO RUEHGT/AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

USIA WASHDC 4327

USCINCSO QUARRY HTS PN

USMISSION USUN NEW YORK 3233

CONTRACTOR OF 04 SAN JOSE 14634

USCINCSO FOR POLAD USIA FOR AR - JOHNSON

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SUBJECT: MONTHLY POLITICAL SUMMARY: DECEMBER

CONTIDENTIAL (LICENSON (LICENSON)

PAGE 02 SAN JO 14634 04 OF 04 311512Z REDUCED BY 4700 PEOPLE, INCLUDING UNREPLACED RETIREES AND VOLUNTARY RESIGNATIONS. ON DECEMBER 11, CALDERON TOLD THE PRESS THAT HE HOPED TO AVOID FURTHER FORCED LAYOFFS, EXPLAINING THAT THE REMAINING 2300 SLOTS PROBABLY COULD BE CUT THROUGH ATTRITION AND VOLUNTARY RESIGNATIONS. THE GOVERNMENT, NONETHELESS, CONTINUES TO QUIETLY STUDY THE POSSIBILITY THAT SOME DISMISSALS MAY BE NECESSARY.

LABOR OPPOSITION TO THE PLAN AND THE REST OF THE GOCR ECONOMIC PROGRAM CONTINUES, HOWEVER, WITH THE UMBRELLA CPT LABOR FEDERATION THREATENING A JANUARY GENERAL STRIKE. TO FURTHER COMPLICATE MATTERS, THE SUPREME COURT'S CONSTITUTIONAL CHAMBER (SALA IV) ISSUED A RULING MAKING MORE DIFFICULT THE EMPLOYMENT OF ESF FUNDS IN THE LABOR PLAN. THE COURT RULED THAT THE USE OF ALL CREDITS AND GRANTS TO THE GOCR MUST BE APPROVED BY THE LEGISLATIVE ASSEMBLY, WHERE SOME PLN DEPUTIES REMAIN ADAMANTLY OPPOSED TO THE LABOR MOBILITY PLAN. FINAL IMPLICATIONS OF THIS RULING ARE UNCLEAR, THOUGH WE ARE TOLD BY THE GOCR THAT IT IS A MANAGEABLE ISSUE.

11. OUTLOOK AND UPCOMING EVENTS

PRESIDENT CALDERON, ALONG WITH HIS ISTHMUS COUNTERPARTS, WILL MEET WITH MEXICAN LEADER SALINAS JANUARY 10-11. THE PRESIDENTS WILL DISCUSS A FREE TRADE ZONE, OIL AND EL SALVADOR. STAFF LEVEL

COMP ADDRESS OF

PAGE 03 SAN JO 14634 04 OF 04 311512Z PREPARATIONS IN MEXICO BEGIN JANUARY 4. PRESIDENT CALDERON ALSO PLANS TO ATTEND THE INAUGURATION OF GUATEMALA'S NEW PRESIDENT. CONGRESS WILL RETURN AND GIVE ITS FINAL NOD TO THE SALES TAX INCREASE AND BEGIN FOCUSING ON THE REMAINING PORTION OF THE SPLIT TAX PACKAGE. THE PLN PLANS TO HOLD AN ASSEMBLY TO DEFINE ITS POSITION TOWARD THE GOVERNMENT. THE PARTY'S PRESIDENTIAL RACE MAY HEAT UP, WITH POTSHOTS AT JOSE MARIA FIGUERES POSSIBLY INCREASING.

HOMME